

CHAPTER 6: FEES

6-1: OVERVIEW OF CHAPTER

This chapter describes fees that the issuer must pay and fees that it will receive in connection with the issuance of securities guaranteed by Ginnie Mae.

6-2: FEES PAID BY THE ISSUER

Payment of all fees due Ginnie Mae, except for guaranty fees and transfer fees, must be by check made payable to "Ginnie Mae." The guaranty fee is paid as described in Section 6-2(C) below. The transfer fee is paid by wire transfer as described in Section 6-2(D) below.

The list of fees included in this chapter is not necessarily all-inclusive. Ginnie Mae may impose other reasonable and appropriate fees from time to time.

(A) Issuer Application Fee

An applicant for issuer status is required to pay Ginnie Mae a fee of \$250. The fee is earned when paid and is nonrefundable.

(B) Commitment Authority Application Fee

An approved issuer is required to pay Ginnie Mae, in connection with each application for commitment authority, a fee computed as follows: \$500 for the first \$1.5 million requested, plus \$200 for each additional \$1 million (or part thereof) requested.

(C) Guaranty Fee

Issuers are required to pay a monthly guaranty fee to Ginnie Mae for each security for which the issuer is issuer of record, as follows:

(1) Timing and method of payment

(a) Ginnie Mae I MBS Program

The issuer pays the guaranty fee to Ginnie Mae by automatic debit of a guaranty fee payment account designated by the issuer. The fee must be received by Ginnie Mae on the 10th calendar day of each month or, if the 10th calendar day is not a business day, on the first business day following the 10th calendar day. The guaranty fee is paid in the amount shown on the Issuer's Monthly Summary Report (Appendix VI-5).

Section 6-2(C)(1)(a)

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(continued)

The requirement that the issuer maintain a Ginnie Mae I guaranty fee payment account, the requirement that the issuer authorize the CPTA to debit the guaranty fee payment account each month, the requirement that a test ACH debit be performed, the procedure for reporting monthly guaranty fee amounts, and the handling of changes in the Ginnie Mae I guaranty fee payment account are described in Section 6-4.

(b) Ginnie Mae II MBS Program

The issuer pays the monthly guaranty fee by making adequate funds available in the central P&I custodial account for ACH debit by the CPTA. The issuer must deposit the Ginnie Mae guaranty fee in the central P&I custodial account each month at the same time it deposits funds necessary for the CPTA to make required monthly payments to security holders. (See Section 15-3(A)) The CPTA calculates the amount of the guaranty fee debit using the RPB information reported by the issuer in the preceding month. (See Chapter 19)

The requirement that the issuer maintain a central P&I custodial account, the requirement that the issuer authorize the CPTA to ACH debit the central P&I custodial account each month, the requirement that a test ACH debit be performed prior to the first monthly ACH debit, and the handling of changes in the central P&I custodial account are described in Section 16-4.

Section 6-2(C) (continued)

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(2) Computing the guaranty fee

The monthly guaranty fee is computed based on the aggregate principal balance of the guaranteed securities outstanding at the beginning of the monthly reporting period. The monthly rate used to compute the fee is the annual rate described below divided by 12 (annual rate \div 12).

(a) Single Family Programs (SF, BD, AR, AQ, GP, GT, GA, GD, and SN pools and loan packages):

The base annual rate is .06 percent (6 basis points).

The Ginnie Mae base annual rate for a particular issue of securities may be reduced by from 1 to 3 basis points under Ginnie Mae's Targeted Lending Initiative (TLI), which is described in Chapter 33.

(b) Manufactured Housing Program (MH pools and loan packages):

The annual rate is .30 percent (30 basis points).

(c) Multifamily Housing Programs (PL, PN, LM, LS, RX, CL, and CS pools):

The annual rate is .13 percent (13 basis points).

(D) Fee For Transfer of Issuer Responsibility

(1) General

The fee for the transfer of issuer responsibility for all pools or loan packages is, except as provided in (2) and (3), \$250 per pool or loan package.

Section 6-2(D) (continued)

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(2) Transfer to affiliate without consideration

The fee for the transfer of issuer responsibility for one pool or loan package between affiliates without consideration, is \$250.

The fee for a transfer of issuer responsibility for two or more pools or loan packages between affiliates without consideration is \$500 for the transaction. In order to qualify for the \$500 per transaction fee, the issuer must provide (a) a copy of an executed Cross-Default Agreement between the issuer and its affiliate or evidence that Ginnie Mae has granted an exemption from the requirement, and (b) a certification of an officer of the issuer that the transaction is not a transfer of issuer responsibility from the issuer to the affiliate for consideration.

(3) Transfer of low-value pools or loan packages

The fee for the transfer of issuer responsibility for one low-value pool or loan package is \$250. The fee for the transfer of issuer responsibility for two or more low-value pools or loan packages is \$500 for the transaction.

A low-value pool or loan package is a pool or loan package with an RPB of ten percent (.10) or less of its original principal amount. Ginnie Mae will calculate the amount of the pool or loan package transfer fee and notify the issuer of the amount to remit by wire transfer. Ginnie Mae will use the issuer's most current reported RPB for which Ginnie Mae has a record to determine which pools or loan packages are low value. Issuers must allow four days from the date RPBs are reported for Ginnie Mae to process and update its pool or loan package records.

Section 6-2(D)(3)
(continued)

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The transfer fee for a transfer between nonaffiliates of 100 pools or loan packages, including 75 low-value pools or loan packages, would be calculated as follows:

75 low-value pools or loan packages	=	\$ 500
25 other pools or <u>loan packages (25 x \$250)</u>	=	<u>\$6,250</u>
Transfer fee	=	\$6,750

(4) Wire transfer instructions

The fees, which must be paid by wire transfer, are payable and earned upon Ginnie Mae's approval of the transfer. Wire transfer instructions are as follows:

ABA 021000021
Account Number 501-257314
GNMA/PTS Account
c/o: The Chase Manhattan Bank
55 Water Street, Room 506
New York, NY 10041

**(E) Acknowledgment
Agreement Fee**

An applicant is required to pay a fee of \$1,000 to Ginnie Mae for its approval of an Acknowledgment Agreement permitting a pledge of servicing by an issuer. (See Section 21-6) The fee is earned when paid and is nonrefundable.

(F) Other Fees

Any compensation paid by the issuer to a third party in connection with the MBS program, including but not limited to compensation paid for maintaining custody of documents relating to the pooled mortgages, will be negotiated between the issuer and the third party and will be solely the issuer's responsibility.

6-3: FEES RECEIVED BY THE ISSUER

(A) Servicing Fee

- (1) The fee for servicing each pooled mortgage is based

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on and payable only from the interest portion of each monthly installment of principal and interest actually collected by the issuer on the mortgage.

- (2) This fee is equal to the difference between the interest rate on the loan and the interest rate on the security for which it serves as collateral, computed on the same principal amount and for the same period as the interest portion of the installment.
- (3) The servicing fee may not be withheld at the time a installment is collected. All collections must be deposited directly to the pool or loan package P&I custodial account. The servicing fee may then be withdrawn from the P&I custodial account.
- (4) Instructions for calculating the servicing fee are included in the instructions for preparing the Issuer's Monthly Accounting Report, form HUD 11710-A (Appendix VI-4).
- (5) An issuer may participate in the Targeted Lending Initiative (TLI), which entitles the issuer to a reduction in the Ginnie Mae guaranty fee of up to 50% for home mortgage loans secured by central city properties in one of 72 designated urban communities that the issuer pools in SF, ARM, GPM or GEM pools or loan packages. The reduction in Ginnie Mae guaranty fee, if any, for a given pool or loan package depends on the extent to which the aggregate original principal amount of the pool or loan package, at the time of issuance, consists of TLI loans. See Section 33-2 for a description of this program, including a schedule of the applicable reductions.

Section 6-3 (continued)

(B) Certificate Transfer Fee

An issuer of Ginnie Mae I MBS will receive from the CPTA each month \$2.75 for each transfer certificate issued in connection with a Ginnie Mae I transfer of a security to a new Ginnie Mae I security holder made during the previous month. Ginnie Mae's CPTA collects on Ginnie Mae's behalf

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a fee of \$15 for each certificate issued to a new security holder, from which the fee due the issuer will be deducted.

6-4: GINNIE MAE I MBS PROGRAM: GUARANTY FEE PAYMENT VIA ACH

Each issuer must maintain a Ginnie Mae I guaranty fee payment account in a depository institution that is either a member of the Automated Clearing House (ACH) or a correspondent of an ACH member. The account may be either a separate corporate account established for this purpose or the Ginnie Mae II central P&I custodial account.

(A) Authorizing Automatic Debits

Each issuer must authorize the CPTA to debit the guaranty fee payment account automatically each month for the amount of the guaranty fee. Authorization is provided by submitting to the CPTA (see Addresses) the institution's Debit Authorization (see Establishing an ACH Account for the Collection of Ginnie Mae Guaranty Fees, Appendix VI-7).

- (1) ACH test debit: Before the first regular monthly ACH debit the issuer must arrange with the CPTA for an ACH test debit, which is a zero balance transaction performed to verify that the account is properly established. The test must be conducted prior to the first calendar day of the month in which the first regular monthly ACH debit will occur.
- (2) Changes of account: The issuer must notify the CPTA of any change in its ACH account at least 60 days prior to the collection date by providing the CPTA with a letter of transmittal and a new Debit Authorization.

Section 6-4 (continued)

(B) Guaranty Fee Reporting Procedure

Each month the issuer is required to report the total amount of its Ginnie Mae I guaranty fees as described below. The report must be made by telephone between the 20th calendar day of the reporting month and the second business day of the following month (the payment month).

- (1) Prior to 7:00 pm (New York City time), the issuer calls

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the following number using a touch tone telephone:

212-425-8030

- (2) The Ginnie Mae I Guaranty Fee Reporting System will instruct the issuer to enter its Ginnie Mae I Issuer Identification Number and the guaranty fee amount.

- (a) Ginnie Mae I Issuer Identification Number (10 digits)

Enter the following: 0783 (which identifies the Ginnie Mae I Program), 4-digit Ginnie Mae Issuer Identification Number, and 1-digit check number (in the form 0783_ _ _ _ A_).

(This is the same identification number currently used to report Remaining Principal Balances to the RPB Contractor.)

The system will verify the identification number.

- (i) If the number is valid, the issuer will be instructed to enter the Ginnie Mae I guaranty fee amount.
- (ii) If the number is not valid, the issuer will be asked to re-enter it. After three unsuccessful attempts, the issuer will be instructed to call a different telephone number that will be provided.

Section 6-4 (B)(2) **(continued)**

- (b) Guaranty Fee Dollar Amount

The dollar and cents amount can be up to ten digits and must be entered without a decimal point. The system automatically designates the last two digits as the "cents" column. For example, if the issuer keys in 1234567, the

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system will convert to \$12,345.67.

- (3) The system will read back the reported amount and ask the issuer to verify by pressing 9 * * (amount correct) or 6 * * (amount incorrect).

If the issuer presses 6 * *, an option will be available to correct the amount.

If the issuer presses 9 * *, the system will provide a verification number that the issuer must write down for reference in the event of a discrepancy.

- (4) The designation of "Y" and the receipt of the verification number concludes the report.
- (5) Corrections: During the guaranty fee reporting period (20th calendar day of the reporting month to the second business day of the payment month), the issuer can change the previously reported amount by calling the telephone number again and providing the correct amount. The system will use the last guaranty fee amount reported as of the last acceptable business day of the cycle for all further processing.

(C) Deposits to Fee Payment Account

No later than the 10th calendar day of the payment month (collection date), the issuer must deposit into its designated guaranty fee payment account "same-day funds" or "good funds" equal to the amount needed to pay the fees.

(D) Collection via ACH

The CPTA submits a computer file of all the guaranty fees reported to it for collection of funds on the collection date. On that date, each issuer's account will be debited via ACH for the guaranty fee amount reported.

Section 6-4 (D) (continued)

The monthly collection of guaranty fees via ACH debit will occur prior to 4:00 pm (New York City time) on the 10th calendar day of the month if the 10th is a business day. If the 10th is not a business day, collection will occur on the first business day following the 10th.